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USDA - Rural Development

# **Pennsylvania Annual Report Fiscal Year 2002**

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*Building Our Rural Communities*

*Byron E. Ross, State Director*



# U. S. Department of Agriculture

## **Thomas C. Dorr** **Under Secretary for Rural Development**

A strong and vibrant economy in rural America serves as the cornerstone of President Bush's economic agenda. USDA Rural Development is working hard to expand economic opportunities and improve the quality of life for all of the 59 million Americans living in rural communities. Through the efficient and effective delivery of Rural Development initiatives, new jobs have been created, home ownership has increased and families and businesses have been strengthened. New investments and entrepreneurial spirit will continue to grow, bringing increased opportunity to rural areas.



I know and understand that rural Americans are resilient and share a pioneering spirit that will once again forge new frontiers in the future. In this same spirit, USDA Rural Development's challenge is to look beyond today and to envision a better way to work with America's rural communities to improve existing partnerships, and forge new ones.

In looking back over the last year, we have begun to build an economic foundation, shaped like what President Bush advocates. I am proud of the aggressive efforts by USDA Rural Development employees to quickly turn many of the 2002 Farm Bill provisions into new economic hope for America's farmers, ranchers and rural families. These efforts ensured the delivery of \$703 million to finance 377 communities water and wastewater infrastructure projects. Additionally, \$37 million helped support the development of 231 agricultural value-added ventures that will bring new opportunities for increased revenues to our American farmers and ranchers. In total, over \$12 billion was invested through USDA Rural Development programs in rural America in Fiscal Year 2002.

From fire hydrants to fiber optic cable -- from sewers to symphonies -- USDA Rural Development financial and technical assistance is making a positive difference. In Fiscal Year 2002 alone -- 42,000 rural residents became first time homeowners, nearly 7,000 homeowners received loan and grant funding to make needed repairs and improvements, and 1,400 loans and grants were provided to assist communities finance essential community facilities. Electricity, telephone, water and wastewater infrastructure funding totaled over \$6.8 billion. Distance learning and telemedicine funding helped communities in 37 states gain access to modern technologies. Over 1,100 rural areas have clean drinking water and sanitary waste systems.

I am proud of what we have been able to accomplish. However, to meet ongoing and future challenges, USDA Rural Development will focus in 2003 on four critical areas of economic opportunity: Housing; Broadband; Bio-Mass; and Equity Capital

Again, we have accomplished much in fiscal year 2002. I commit USDA Rural Development to administer all our programs and policies fairly, equitably, and honorably. It is the right thing to do, it is what I believe, and I will tolerate nothing less. Through our collective hard work we will continue to increase the economic opportunities in rural communities and improve the quality of life for all rural Americans.

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## A Message from State Director, Byron E. Ross



The challenges facing rural Pennsylvania are often viewed as insurmountable. We hear terms like “digital divide” to describe the gap between the cities/suburbs and the Internet capabilities of rural communities. Healthcare cost and quality issues continue to drive rural hospitals and clinics closer to financial insolvency. Farmers leave their farms to

seek employment in our cities, or just retire and watch their properties deteriorate. Young people leave our state with their college degrees for other places thinking the climate and job opportunities are better elsewhere. I could go on but I’m sure you get the picture!

These challenges are viewed as opportunities by Rural Development. We cannot solve all the problems facing rural areas, but we can play a major role in helping state and local governments, organizations, and businesses turn the tide. Fiscal Year 2002 saw Rural Development continue its advances in many of the traditional areas like housing, water and sewer facilities, community facilities, and business development. We ventured into everything from micro lending for small businesses through our Rural Business Enterprise Grant program, to a \$17 million guaranteed loan to develop a \$35 million performing arts center. In addition, the Farm Bill granted new and exciting loan and grant programs to 1) facilitate broadband development in rural areas; 2) to improve agricultural business by helping farm producers add value to their production through marketing and processing; and 3) to promote the development of alternative fuels.

In addition to the funding programs, we continue to provide technical assistance to communities, organizations, businesses, and individuals to help them help themselves by providing direct assistance through staff members like our Cooperative Development Specialists, or indirectly through organizations such as the Rural Water Association.

Sometimes we forget that living in rural Pennsylvania gives us an advantage over other areas. First, we are located close to huge markets for all we can produce. Secondly, we have vast natural resources in our farms, forests, and mines far beyond their natural beauty. And last, a wonderful group of hard working and honest people that only need a little help in making their lives, and those of others in their communities, a little better.

We in Rural Development are dedicated to providing that “help”. Not only through the money made available by the federal appropriations process, but also with the support, encouragement, and enthusiasm of our employees and partners. Thank you for the opportunity to contribute to improving the quality of life in Pennsylvania.

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## Community Facilities (CF)

The Community Facilities (CF) program provides loans, grants, and loan guarantees to public bodies, not-for-profits, and Indian tribes for health care, public safety, public improvements, community support, educational services, and telecommunications. In FY 2002, Rural Development's CF programs assisted thousands of rural Pennsylvania residents in several communities by providing the funding needed for projects like emergency equipment, assisted living facilities, and restoring historic theaters. CF grant funds were also used to assist a firefighter school in Schuylkill County and to fund a rural dental clinic in Mifflin and Juniata Counties.

We are proud of our recent accomplishments. In Fiscal Year (FY) 2002, PA Rural Development provided a record-breaking \$27,523,280 in Community Facilities assistance to rural Pennsylvania. This assistance included a \$17 million loan guarantee to the Pike County Industrial and Commercial Development Authority that will be used for development of the Mountain Laurel Center for the Performing Arts in Bushkill, Pennsylvania.

<b>FY 2002 - Community Facility Funding</b>			
<b>County</b>	<b>Project Name</b>	<b>Loan Amount</b>	<b>Grant Amount</b>
<b>Bedford</b>	Bedford-Fulton Housing Services	\$ 2,265,000	
<b>Bradford</b>	Bradford County Regional Arts Council, Inc.	\$ 775,000	\$ 50,000
<b>Butler</b>	The Strand Theater Initiative	*\$ 100,000	
<b>Clarion</b>	Millcreek Township	\$ 55,000	
<b>Clinton</b>	Keystone Community Network, Inc.	\$ 561,600	\$ 83,890
<b>Elk</b>	Community Education Council	\$ 750,000	
<b>Fayette</b>	Fayette Emergency Medical Services	\$ 300,000	
<b>Jefferson</b>	Jefferson County Non-Profit Housing Corp.	\$ 3,750,000	
<b>Mifflin</b>	Mifflin/Juniata Dental Clinics, Inc.		\$ 40,950
<b>Pike</b>	Pike County Industrial & Commercial Development Authority	*\$17,000,000	
<b>Schuylkill</b>	Schuylkill County Volunteer Firefighters		\$ 90,000
<b>Schuylkill</b>	McAdoo Fire Company, Inc.	\$ 265,000	\$100,000
<b>Schuylkill</b>	Borough of Girardville	\$ 306,840	
<b>Schuylkill</b>	Rush Township	\$ 600,000	
<b>Venango</b>	Child Development Centers, Inc.	\$ 250,000	
<b>Washington</b>	Burgettstown Area Senior Citizens, Inc.	\$ 90,000	\$ 90,000
<b>Total Obligated</b>		\$27,068,440	\$454,840

**\*Indicates a guaranteed loan.**

## Assisting our Rural Firefighters

Rural Development provided \$755,000 in CF loans and grants to three fire or emergency response companies in rural Pennsylvania counties during fiscal year 2002. This assistance included a grant to the Schuylkill County Volunteer Firefighters that was used to build a new training tower (pictured right) for their fire fighting school. A \$300,000 loan was made to the Fayette Emergency Services in Fayette County to purchase fifteen cardiac monitors and defibrillators, and a \$365,000 loan/grant combination was made to the McAdoo Fire Company, Inc., in McAdoo, PA to purchase a new ladder truck.



## Community Facilities (CF)

### Mountain Laurel Center for the Performing Arts *Cultural Arts Facility*



Artist's rendering of the proposed concert pavilion

project. When completed, the property will include a 10,000 seat concert pavilion, a 1,200 seat theater, a nightclub situated on the lake, and summer arts camp facilities. Performances will include classical music, Broadway shows, popular music, jazz, and dance.

The project is owned by the Pike County Industrial and Commercial Development Authority, which issued bonds in the amount of \$17 million that will be guaranteed by Rural Development. This funding will be combined with a \$15 million State grant, \$4.5 million in contributions, and other funds to fund the \$36.5 million project. The groundbreaking was held on October 2, 2002, with completion of the pavilion planned for 2003. This project is expected to have a major economic impact on the Pocono region by providing a new destination for thousands of visitors each year, resulting in over a hundred new jobs and millions of dollars of economic activity. Rural Development is pleased to be able to assist with this important cultural facility.

The Mountain Laurel Center for the Performing Arts will be a celebration of the arts where diverse audiences will enjoy world-class musical and theatrical performances in a setting of pristine beauty. It is located in the heart of the Poconos, on a pastoral 657 acre tract with an 85 acre lake as its centerpiece. The property was originally home to the Unity House Resort owned by the International Ladies Garment Workers Union, and now is a designated historical landmark. The facilities have been unused for many years and have fallen into disrepair, but will be refurbished as part of the



Groundbreaking ceremonies for the Mountain Laurel Center were held on October 2, 2002. Pictured above are Edward Sader, Project Coordinator, Byron Ross, PA Rural Development State Director, Marcella Duld, Rural Development Specialist and Gary Rothrock, PA MFH/CF Program Director

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### Jefferson County Non-Profit Housing Corp.

A \$3,750,000 loan was made to the Jefferson County Non-Profit Housing Corp. to purchase an existing assisted living/personal care facility so that the community could continue to provide the elderly with support services enabling them to live as independently as possible.



The facility has 31 rooms of personal care, fifteen independent living apartments, and rental space for elderly case service agencies. Rural Development's approval of this loan allowed the residents of Jefferson County to have more local control over housing, health care, and social services.



## Multi-Family Housing (MFH)

Seven Multi-Family Housing loans were obligated in FY 2002, six for improvements to existing apartment complexes and one for construction of a new 14-unit elderly housing complex. Rural Development's Multi-Family Housing programs enable housing developers to build quality and affordable rental units for Pennsylvania's low-income, elderly, and disabled rural residents. The Rental Assistance Program assures that qualified applicants pay no more than 30% of their income for housing.

FY 2002 Section 515 Loans		
County	Project Name	Loan Amount
Adams	East Berlin Manor	\$ 304,095
Blair	Williamsburg Area Improved Dwellings (new construction)	\$ 760,193
Cambria	Woomer Brothers	\$ 173,000
Clarion	Knox Commons	\$ 183,000
Erie	Malvina Street Apartments	\$ 163,500
Jefferson	Sycamore II	\$ 285,000
Warren	Lakeside Apartments	\$ 114,200
Total Obligated		\$1,982,988

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### Saucony Meadows Apartments *Complex Opens in 2002*

Saucony Meadows is a 50-unit apartment complex for the elderly and disabled. The complex has 47 standard one-bedroom apartments and three apartments that are fully handicapped accessible. The building includes an office, laundry, and large community room. Saucony Meadows is located in Kutztown, PA, and is owned and operated by Saucony Meadows, Inc., a non-profit corporation.



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### Farm Labor Housing

The Farm Labor Housing Loan and Grant program provides capital financing for the development of housing for domestic farm laborers. Loans are made to farmers, associations of farmers, family farm corporations, Indian tribes, nonprofit organizations, public agencies, and associations of farmworkers.

The Farm Labor Housing loans and grants are provided to buy, build, improve, or repair housing for farm laborers and those engaged in on-farm processing. Funds can be used to purchase a site or a leasehold interest in a site, to construct housing, day care facilities, or community rooms; to pay fees to purchase durable household furnishing; and to pay construction loans interest.

### Housing Preservation Grants

The Housing Preservation Grant (HPG) program provides grants to sponsoring organizations for the repair or rehabilitation of low-and very low-income housing. The grants are competitive and are made available in areas where there is a concentration of need. Three HPGs were obligated in Pennsylvania in FY 2002. The Redevelopment Authority of Fayette County received \$121,671, the Redevelopment Authority of Wayne County received \$12,671, and the Redevelopment Authority of Monroe County received \$49,807. The grants will be combined with other funds to operate programs that provide low-cost loans or grants to very low-income rural homeowners to make essential repairs to their homes.

## Rural Business - Cooperative Service (RBS)

Rural Development provided more than \$10 million in loans and grants to rural Pennsylvania businesses for start up and expansion in Fiscal Year 2002. These businesses created or saved more than 4,500 jobs for rural Pennsylvanians - *many of them in areas where unemployment rates are higher than the national average*. In addition to creating or preserving quality jobs, RBS programs promote a clean rural environment.

RBS staff works closely with private sector lenders and community-based organizations to provide financial assistance and business planning. The \$10 million of RBS financial resources were leveraged through partnerships with federal, state and local agencies, and private credit sources for a grand total of over \$17,632,000 in assistance to rural Pennsylvania businesses.

### Business and Industry Loans and Loan Guarantees

In July 2002, Rural Development approved a \$900,000 business loan guarantee for Olson and Olson, Inc. located in Chambersburg, Franklin County. Olson and Olson, Inc. is a machine parts manufacturer that focuses on hydraulic cylinders, hydraulic gear pumps, hydraulic swivels, and a concept cylinder. The loan provided funds for working capital to stabilize the growth of their business and additional funds to refinance existing debt, which would ultimately save them over \$93 thousand in annual debt service. The loan also allowed for the creation of 10 jobs and the retention of 65 jobs strengthening the economy of Chambersburg. Olson and Olson, Inc.'s focus on quality and efficiency allows them to provide hydraulic cylinders for lifts used in such well-known stores as Home Depot.



*Olson and Olson, Inc provides hydraulic cylinders for lifts used in such well-known stores as Home Depot.*

In Fiscal Year 2002, Rural Development provided \$6,243,570 to five projects in loan note guarantees for Business and Industry (B&I) loans in rural Pennsylvania. The projects serviced a variety of industries including agricultural processing, farmers market, manufacturing and the petroleum industry. As a result of the program, three hundred and fifty three rural jobs were saved and twenty new jobs were created.

### Specialty Lending and Grant Programs



*John Lawson used his CFF loan to hire additional employees for his demolition and hauling business, allowing him to bid on and win larger contracts.*

The Specialty Lending Division administers a number of grant and loan programs aimed at fostering economic development in rural areas. Nineteen **Rural Business Enterprise Grants (RBEG)**, totaling more than \$1.7 million, were granted during Fiscal Year 2002. RBEGs can be used for technical assistance, construction, or relending to small and emerging private businesses. The Community First Fund (CFF) of Lancaster used a RBEG to establish a small business revolving loan fund. One of the recipients, John Lawson, owner of Lawson Demolition and Hauling, used a \$10,000 loan to hire additional employees to expand his business and handle larger projects.

The City of Meadville used Rural Development's RBEG program to transform a vacant first floor space in an anchor building into a unique art and antique gallery and café. The project site, located in the heart of the City of Meadville, occupies approximately 4,750-sq. ft. The project serves as a model to encourage growth of additional 'niche' stores in the community, stabilizing the downtown area while increasing the local municipal tax base. The Meadville Area Industrial Commission, a local non-profit economic development agency, served as the project applicant. Rural Development's RBEG provided the critical gap funding needed to bring the project to fruition.



*Interior view of the new art and antique gallery and café financed by RBEG funds through the Meadville Area Industrial Commission.*

# Rural Business - Cooperative Service (RBS)

## Specialty Lending and Grant Programs (continued)

**Intermediary Relending Program (IRP)** loans finance business facilities and community development projects in rural areas. These loans are made to intermediaries involved in economic development. The funds are used to make loans to local businesses. Rural Development made three (3) IRP loans totaling \$1.745 million in FY 2002. Two **Rural Business Opportunity Grants (RBOG)** were made totaling \$45,000. These grants are used for planning, technical assistance, and training activities that improve rural economic conditions.

**Value-Added Agricultural Product Market Development Grants** - Four Pennsylvania businesses were selected for funding through this program.



Pennsylvania Beef Council (pictured left) received a \$105,000 grant for planning purposes to enable the council to expand participation and to educate the consumer about the value-added beef products being introduced to the Pennsylvania market.



American Corn Growers Association (pictured right) received a \$150,000 grant which will be used to provide farmers and farm organizations with the tools to evaluate the feasibility of ethanol production and build consumer awareness of the role ethanol-blended fuels could play in meeting Clean Air Standards.



Pennsylvania Cooperative Potato Growers, Inc. received a \$450,000 grant to build and operate a potato processing facility in Schuylkill County that will convert potatoes into dehydrated potato products.



Eastern States Bison Cooperative received a \$109,141 grant which will be used to establish a working capital account to provide for the processing, packaging, labeling, distribution, marketing, and sale of value-added bison (buffalo) meat.

## Cooperative Services

Cooperative Development provided technical assistance to seven new groups interested in forming a cooperative in FY 2002. Assistance continued with eight projects begun in previous years. Three new cooperatives were formed with Rural Development's assistance.

Lincoln Cooperative was incorporated to provide transportation services to persons with disabilities in rural Berks County, especially at times after public transportation is not available. Operation is expected to begin with one specially equipped van, and expand as experience and resources allow. Got Essa (Good Food), a cooperative of eight Amish families, incorporated to market items produced by member families. Products include cheese, preserved foods, candies, and baked goods. A direct mail catalog was prepared and mailed to potential buyers in central Pennsylvania. Western Pennsylvania Organic Vegetable Growers incorporated to market organic produce to restaurants and other specialty markets in the Pittsburgh area.



# Rural Business - Cooperative Service (RBS)

## Cooperative Services (continued)



New cooperative development initiatives included a wide array of interests, including emu, organic milk, forestry, and crafts. Technical assistance activities ranged from simply providing information about cooperatives and the development process to completion of member surveys and market projections. Draft legal documents were prepared for the groups as preparation for their work with their attorneys.

## Community Development

The Community Development staff continues to serve rural communities and organizations with Technical Assistance in a variety of areas that encompass Strategic Planning, Leadership Development, and obtaining financial assistance. Groups and communities served include the Lenape Native American organization in Western Pennsylvania and Latino Organizations in Berks County. Community Development efforts continue with two Enterprise Communities located in Lock Haven and Fayette County, a Champion Community in Cameron County, and other designated and non-designated communities that sought assistance. Those communities include Whitsett, a small community in southwestern Pennsylvania, and Dallas, a rural borough in the Northeast portion of the state. Both communities sought Strategic Planning assistance.

The Borough of Honesdale, Wayne County (pictured right), stands as a success story in downtown revitalization in which Rural Development played a significant role. The [Greater Honesdale Partnership \(GHP\)](#) received two grants to initiate an "incubator without walls" which assists new businesses with advertising, publicity, and technical services. These benefits are realized through the efforts of GHP's CEO, Carson Mader. GHP also received a grant to develop a sophisticated web site for Honesdale that includes on-line shopping, tourist attractions, and a virtual walking tour. GHP has fully implemented all of the goals established through the strategic planning/visioning process that was initiated several years ago.



A hallmark development in the Federal Enterprise Community of Fayette County is the [Campus of Services](#) located in Uniontown, Pennsylvania. Fayette County Community Action Agency (FCCAA) has developed the Campus of Services and revitalized a deteriorating portion of downtown Uniontown by renovating longtime existing buildings and developing new buildings on the Campus of Services. Unique to the project is the variety of funding sources for community development projects on the Campus of Services, which total more than \$12 million. FCCAA has been able to leverage the funds through Pennsylvania companies' tax credit programs, federal loan programs, foundations and private financing.

The Campus of Services is a comprehensive location for health and human services for the residents of Fayette County. The Campus of Services includes the Community Service Center, the Food Bank and Warehouse, the Family Service Center and Meadow Heights apartments. The Family Service Center also features shared meeting rooms for FCCAA and its tenants as well as access to the latest computer technology through a technology center.



The newest addition to the Campus of Services is Meadow Heights Apartments, a 60-unit senior living facility for low-to-moderate income residents age 62 and older (pictured left) which opened in 2002. Meadow Heights not only offers affordable housing, but optional supportive services on an as needed basis. Support services available to the residents include access to medical and dental care as well as housing and food assistance programs at the Family Service Center.

# Single Family Housing (SFH)

Rural residents of Pennsylvania have improved their quality of life by participating in Rural Development Housing programs that ensure access to affordable, well built homes. Homeownership promotes economic stability for families, and this stability enables families to generate equity to finance education, start small businesses, or save for retirement. Single Family Homeownership helps to stabilize neighborhoods, thereby enhancing the quality of life in rural communities. By providing direct and guaranteed loans to low and moderate income families, the USDA Rural Housing Service promotes community building in rural Pennsylvania. These loans are for the purchase, construction, rehabilitation or relocation of an eligible dwelling.

## Section 502 Home Purchase Program and Mutual Self-Help Housing Programs

Pennsylvania families with limited household income may be eligible to participate in our Section 502 Direct Single-Family Housing (SFH) program that provides payment assistance to qualified borrowers by subsidizing mortgage interest rates as low as 1%. This payment assistance makes homeownership affordable for many rural residents in Pennsylvania.

The Mutual Self-Help Housing Program makes homes affordable by enabling future homeowners to work on homes themselves. With this investment in the home, or "sweat equity", each homeowner pays less for his or her home. Each qualified applicant is required to complete 65% of the work to build his or her own home.



Technical Assistance Grants and Site Loans are provided to nonprofit and local government organizations, which supervise groups of 5 to 12 enrollees in the Self-Help Program. Members of each group help work on each other's homes, moving in only when all the homes are completed. Once accepted into the Self-Help Housing Program, each individual enrollee generally applies for a Single-Family Housing Direct Loan (Section 502).

## Partnerships

Rural Development partnered with Housing and Urban Development (HUD) to utilize the [Housing Choice Voucher Program](#). This program allows a public housing agency (PHA) to provide tenant based assistance to an eligible family when they purchase a home. The program provides additional options and promotes long-term affordability and greater self-sufficiency for low-income households. Program participants must be "first-time homeowners" in that a family member must not have owned title to a principal residence in the last three years. Families are required to attend a homebuyer workshop sponsored by a suitable counseling program before purchase of a home, and all units must meet HUD Housing Quality Standards.

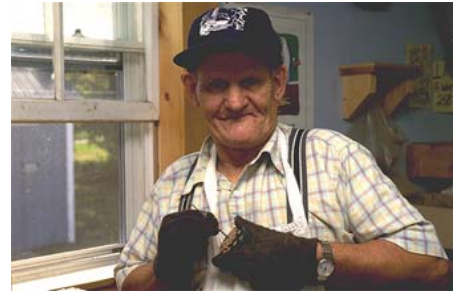


Another partner, the PA Housing Finance Agency (PHFA) joined Rural Development in creating a new joint financing program called the [PHFA/RHS Homestead Program](#). This program allows low-income families the chance to become homeowners by helping provide up to \$7,500 in closing costs and 100% financing below market interest rates. A Tioga County resident was the first recipient of the new loan program and her new home was the site of a ceremony to mark this "first". Pictured (left) helping plant a tree, are the family and representatives of the organizations who assisted in making the loan happen. The family moved into their new home in May 2002.

# Single Family Housing (SFH)

## Section 504 Home Repair and Rehabilitation Program

Home improvement, repair loans, and grants under the Section 504 program are available to very low-income rural homeowners to improve health and safety standards in their homes, and also to make them accessible for individuals with disabilities. Payments remain affordable with loan interest rates fixed at 1% and a twenty-year amortization period. Grants are also available for Pennsylvania residents, 62 years or older, who cannot afford to repay a home loan.



## Section 502 Guaranteed Single Family Housing Program

The Rural Housing Service also offers a guaranteed loan program for families with low to moderate incomes. No down payment is required and the participating lender often includes closing costs in the mortgage. Lack of a down payment often prevents prospective homebuyers from obtaining a loan from private lenders, but the RHS guaranteed loan program has greatly increased the number of rural Pennsylvania homeowners. During FY 2002, the guaranteed loan program enabled 838 families, who were unable to obtain conventional credit, to purchase their own homes.

Awards were presented to the top 6 producing Originators for the Guaranteed Housing Loan Program for FY 2002. Over 230 loan originators participated in the RHS guaranteed loan program, and the top 5 originators produced 21% of the loan dollars. The award recipients were:



- **Larry Hutchinson**  
Omega Bank
- **Brenda Thompson**  
Jersey Shore State Bank
- **Alison Swanson**  
Honesdale National Bank
- **Dorothea Stitzer**  
Jersey Shore State Bank
- **Rick Conner**  
Express Financial Services

Pictured left is Larry Hutchinson, Omega Bank and Bernard Linn, RD Guaranteed SFH Loan Specialist

## Packaging Applications

Often, very-low and low-income applicants need additional assistance in preparing and submitting an application. Therefore, Rural Development has enlisted the assistance of non-profit organizations to assist applicants in completing applications and in meeting the Agency's requirements for assets, credit history, and repayment ability. Packagers are valuable resources because some refer applicants to or provide them with credit counseling and homebuyer education information.

## Summary

In 2002, the Rural Housing Service assisted 1688 families in the purchase, construction, and repair of homes. Our Single Family Housing program funded \$38,875,340 in direct loans, \$897,300 in repair loans, \$1,149,570 in repair grants, and \$67,300,000 in guaranteed loans. Funds leveraged with other sources contributed an additional \$1,117,289. USDA Rural Development's Single Family Housing programs made it possible for many Pennsylvania residents to obtain safe, affordable housing.



## Rural Utilities Service (RUS)



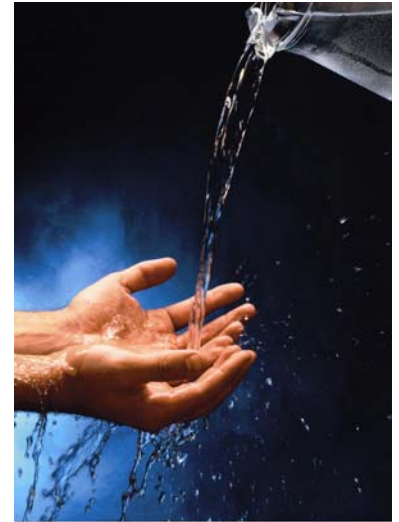
Through its Water and Wastewater programs, Pennsylvania RUS was able to improve the quality of life in several rural communities this past year. We provided over \$86 million in loans and grants to serve thousands of people in Pennsylvania with clean drinking water and modern sewer facilities.

Pictured left are Erv Myers, Rural Development Specialist, and John Williams, Rural Development Engineer, in front of a special thanks from Sandycreek Township, Venango County. Rural Development provided additional funding for their water project last fiscal year.

### The Significance of the Water and Waste Disposal Facility Provision of the 2002 Farm Bill

In a time when our government is preoccupied and distracted with security, war, and other pressing issues, we must not forget about rudimentary and long-standing issues. Water and waste disposal facilities are crucial every place where there is a significant human presence. They are key factors in maintaining healthy communities. They help provide for some of our basic necessities - we want to drink clean water and we want our rivers, lakes, ponds, oceans, and surroundings to be untainted. This is why the Water and Waste Disposal provision of the Farm Security and Rural Investment Act of 2002, also known as the 2002 Farm Bill, is so important.

The Rural Development Water and Waste Disposal provision helps to obtain and make available the necessary resources to establish water and waste disposal facilities compliant with federal and state environmental standards. By signing the 2002 Farm Bill, President Bush gave Rural Development the authority to convert \$360 million of Commodity Credit Corporation funds for a one-time reduction in the backlog of pending applications for grants and loans to construct or improve water and waste disposal facilities and emergency community water systems.



### Pennsylvania's 2002 Farm Bill Projects Included:

***Towanda Municipal Authority (Bradford County)*** - The \$3,607,400 package (\$1,844,700 loan/\$1,762,700 grant) will be used to install a sewage collection system in Monroeton Borough, North Towanda Township and Towanda Township.

***Sugar Grove Area Sewage Authority (Warren County)***- The \$6,281,500 package (\$3,227,600 loan/\$3,053,900 grant) will be used to provide sewage collection and treatment to Sugar Grove Borough and portions of Sugar Grove Township.

***Newberry Township (York County)***- The \$3,554,200 package (\$2,804,200 loan/\$750,000 grant) will be used to provide centralized sewage collection for Conewago Heights to correct malfunctioning on-lot disposal systems, and correct their resulting hazards.

***Worthington-West Franklin Joint Municipal Authority (Armstrong County)*** - The \$8,217,000 package (\$3,800,000 loan/\$4,417,000 grant) will be used to provide a sewage collection and treatment facility for Worthington Borough and West Franklin Township.



## Rural Utilities Service (RUS)

COUNTY	PROJECTS FUNDED IN FY 2002	LOAN AMOUNT	GRANT AMOUNT
Armstrong	Worthington-West Franklin Joint Municipal Authority	\$ 3,800,000	\$ 4,417,000
Bedford	Hopewell Township	\$ 2,050,800	\$ 3,184,200
Bedford	Canton Borough	\$ 2,420,000	
Bradford	Towando Municipal Authority	\$ 1,844,700	\$ 1,762,700
Cambria	Central Mainline Sewer Authority	\$ 3,227,350	\$ 5,174,300
Clearfield	Huston Township	\$ 600,000	
Columbia	Locust Township Municipal Authority	\$ 67,700	\$ 67,600
Fayette	Luzerne Township Sewage Authority		\$ 184,140
Fayette	National Pike Water Authority	\$ 3,427,000	\$ 1,000,000
Franklin	Quincy Sewer Authority	\$ 1,632,400	\$ 500,000
Jefferson	McCalmont Township	\$ 1,100,000	\$ 2,083,800
Lycoming	Lycoming County Water and Sewer Authority	\$ 2,970,100	\$ 2,231,600
Potter	Harrison Township	\$ 127,500	
Schuylkill	Gilberton Borough	\$ 97,000	\$ 517,200
Schuylkill	Girardville Area Municipal Authority	\$ 467,200	
Schuylkill	Pine Grove Joint Treatment Authority	\$ 7,205,900	\$ 1,898,600
Tioga	Jackson Township Municipal Authority	\$ 1,398,000	\$ 2,553,000
Tioga	Richmond Township Municipal Authority	\$ 172,600	\$ 655,500
Venango	Frenchcreek Township	\$ 1,550,000	\$ 1,456,300
Warren	Kinzua-Warren County Joint Authority	\$ 1,525,100	\$ 1,076,600
Warren	Sugar Grove Joint Municipal Authority	\$ 3,227,600	\$ 3,053,900
Washington	Center-West Joint Sewer Authority	\$ 5,857,000	\$ 4,921,660
Wayne	Lakeland Colony Corporation	\$ 350,000	
Westmoreland	Derry Township Municipal Authority	\$ 922,000	
York	Newberry Township/Conwego	\$ 2,804,200	\$ 750,000
TOTAL		\$ 48,844,150	\$ 37,488,100

### Distance Learning and Telemedicine (DLT) Grants

The Distance Learning and Telemedicine Program (DLT) is designed specifically to meet the educational and health care needs of rural America. Through loans, grants, and loan and grant combinations, advanced telecommunications technologies provide enhanced learning and health care opportunities for rural residents. This fiscal year, Pennsylvania submitted eleven applications for the DLT Loan/Grant program. Of the eleven submitted, four were selected for funding:

**Brownsville Area School District** received \$500,000 to establish an intra-district distance learning network for three elementary schools and will provide educational opportunities for students, teachers, and community members. The multi-faceted approach to distance learning will include: adult education, job readiness training, professional development, continuing education and special events to establish the schools as a community resource.

**Greene County Industrial Development Authority** received \$456,647 to be used in part of a collaborative effort to provide a variety of user-friendly technologies for over 40,000 rural residents to access telepreventive medicine and telemedicine. The project will focus on motivating rural residents to improve health-related behavior and support and guide them when searching for solutions to health care problems.

**Wayne Memorial Hospital, Inc.** received \$500,000 which will be used to convert their traditional radiology services to a teleradiology system. The film based x-ray system will be upgraded to digital images using computerized technology. This will allow digital radiological images to be transmitted over the Internet from one of the 13 participating end user sites to one of the three full-service hospitals where they will be read, in real time, by a hospital radiologist. Pictured right are Wayne Memorial Hospital, Inc., representatives with State Director, Byron Ross.



**Home Health Services Foundation** - The Visiting Nurses Association, Western Pennsylvania (VNA) in partnership with Home Health Services Foundation received \$500,000 to provide telemonitoring systems in the homes of rural patients which will improve patient care through the frequent and consistent monitoring of vital information.

# Other Programs

## Environmental Awareness

The National Environmental Policy Act (NEPA) establishes the Federal government's environmental policies. Its primary goal is to help public officials make decisions that are based on an understanding of the environmental consequences of their actions, and to take actions that protect, restore, and enhance the environment.

To accomplish this, USDA - Rural Development requires its applicants and current borrowers to consider environmental impacts before taking actions financed by the Agency. The same is true for private lenders whose loans are guaranteed by the Agency. Before any Rural Development assistance can be approved, the Agency will assess the environmental impact of the proposed action to ensure that steps are taken to avoid or reduce adverse effects.

In carrying out its mandates, Rural Development must ensure compliance with numerous Federal environmental laws, regulations, and Executive orders. Some of these are: the Endangered Species Act, the Safe Drinking Water Act, the Farmland Protection Policy Act, the National Historic Preservation Act, Departmental Regulation 9500-3, Land Use Policy and Executive Order 11988, Floodplain Management.

## Pennsylvania Rural Development Council

The creation of State Rural Development Councils was authorized by the federal government in 1990. Pennsylvania entered into a Memorandum of Understanding in 1992 with USDA, thereby creating the Pennsylvania Rural Development Council, of which, Byron E. Ross, PA Rural Development State Director, is one of the federal members. Pictured right is Mr. Ross speaking at a recent Rural Development Council conference.

The PA Rural Development Council is a thirty-member council comprised of state, federal, private, nonprofit, and local officials. The Council is an organization made up of individuals from diverse backgrounds that have come together to build a brighter future for rural Pennsylvania communities and their citizens.



The Rural Development Council seeks to: (1) enhance communication and the sharing of information; (2) facilitate coordination between the public and private sectors for efficient use of existing and new resources; (3) promote collaboration and cooperation to preserve the quality of life in rural Pennsylvania; and (4) assist local communities to meet their rural development goals.

## Outreach

Pennsylvania residents will find us many places throughout the year -- The Farm Show, Home and Builder's shows across Pennsylvania, Penn State's AG Progress Days, and County Fairs. These are just a few places Pennsylvania residents have the opportunity to meet our program specialists and discover the USDA Rural Development programs available to them and their communities. Our Program Specialists also visit local community leaders and groups to advise rural residents of the programs available to them.

## Civil Rights

Assuring equal opportunity in employment and program delivery is essential in administering Rural Development Programs. Each Rural Development employee is responsible for ensuring the highest quality of services for all recipients and beneficiaries of our programs. Rural Development is committed to fair and equal treatment to employees and customers.

# Pennsylvania Rural Development Offices

**Byron E. Ross, State Director**

<b>Pennsylvania State Office</b> <b>Suite 330, One Credit Union Place</b> <b>Harrisburg, PA 17110-2996</b> <b>(717) 237-2299</b> <b>(717) 237-2261 (Hearing Impaired)</b> <b><a href="http://www.rurdev.usda.gov/pa">www.rurdev.usda.gov/pa</a></b>	
<b>Bradford Area Office</b> R. R. #5, Box 5030-F Towanda, PA 18848-9333 (570) 265-6969, ext. 203	<b>Butler Area Office</b> 602 Evans City Road, Suite 101 Butler, PA 16001-8701 (724) 482-4800, ext. 4
<b>Clinton Area Office</b> 216 Spring Run Road, Room 103 Mill Hall, PA 17751-9543 (570) 726-3196, ext. 203	<b>Crawford Area Office</b> 14699 N. Main Street Extension Meadville, PA 16335-9441 (814) 336-6155
<b>Juniata Area Office</b> R. D. #3, Box 301 Mifflintown, PA 17059-9621 (717) 436-8953, ext. 4	<b>Lehigh Area Office</b> 2211 Mack Blvd. Allentown, PA 18103-5623 (610) 791-9810, ext. 4
<b>Lycoming Area Office</b> 542 County Farm Road, Suite 205 Montoursville, PA 17754-9685 (570) 433-3006	<b>Susquehanna Area Office</b> R. D. #7, Box 7114 Montrose, PA 18801-9515 (570) 278-3781/2542
<b>Washington Area Office</b> P. O. Box 329 Meadowlands, PA 15347-0329 (724) 222-3060, ext. 4	<b>Westmoreland Area Office</b> Donohoe Center, Donohoe Road R. R. #12, Box 202A Greensburg, PA 15601-9217 (724) 853-5555
<b>York Area Office</b> 124 Pleasant Acres Road York, PA 17402-8988 (717) 755-2966, ext. 4	

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**To file a complaint of discrimination, write:**

USDA, Director, Office of Civil Rights  
Room 326-W, Whitten Building  
14<sup>th</sup> and Independence Avenue SW  
Washington, D.C. 20250-9410  
(202) 720-5964 (voice or TDD)

U.S. Department of Agriculture  
Rural Development  
Pennsylvania State Office  
Suite 330, One Credit Union Place  
Harrisburg, PA 17110-2996

